

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2377

LISTED JULY 3, 1969  
500,000 common shares without par value.  
Stock Symbol "HDH"  
Post Section 10  
Dial Quotation No. 1929

# THE TORONTO STOCK EXCHANGE

## LISTING STATEMENT

### D. H. HOWDEN & CO. LIMITED

Incorporated as a public company under the laws of the  
Province of Ontario by Letters Patent dated June 1, 1962

COMMON SHARES WITHOUT PAR VALUE  
(Transferable in Toronto, Montreal, London, Winnipeg, Calgary and Vancouver)

#### CAPITALIZATION AS AT APRIL 2, 1969

Share Capital	Authorized	Issued and Outstanding	To be Listed
5½% cumulative redeemable participating sinking fund first preference shares with a par value of \$50.00 each .....	5,413	5,413	nil
3% non-cumulative redeemable second preference shares with a par value of \$1.00 each .....	459,500	275,000	nil
Common shares without par value .....	1,000,000	500,000	500,000
Long Term Debt			
8% first mortgage debentures due May 1, 1977 .....	195,000	137,667	nil
6% sinking fund debentures due May 1, 1989 .....	1,000,000	1,000,000	nil

#### 1. APPLICATION

D. H. Howden & Co. Limited (hereinafter sometimes called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 500,000 common shares without par value in the capital of the Company all of which are issued and outstanding as fully paid and non-assessable.

#### 2. REFERENCE TO PROSPECTUS

Reference is hereby made to the prospectus (hereinafter called the "Prospectus") issued by the Company under date April 2, 1969 with respect to the offering of 250,000 common shares without par value, a copy of which Prospectus is attached hereto and is hereby incorporated in this application and made part hereof.

#### 3. HISTORY AND NATURE OF THE BUSINESS

Reference is made to page 3 of the Prospectus under the headings "The Company" and "Description of Business". The Company employs 312 persons.

#### 4. INCORPORATION

The Company is the continuing corporation resulting from the amalgamation by letters patent under the laws of the Province of Ontario on June 1, 1962 of D. H. Howden and Co. Limited and W. Fitzgerald Limited. The authorized capital originally was 6,430 5½% cumulative redeemable participating sinking fund first preference shares with a par value of \$50 each and 500,000 3% non-cumulative redeemable second preference shares with a par value of \$1 each and 150,000 common shares without par value. Supplementary letters patent dated February 21, 1969 issued to the Company provided for the subdivision of the 133,100 issued common shares of the Company without par value into 500,000 common shares without par value ranking on a parity with the 16,900 unissued common shares of the Company and increased the authorized capital of the Company by creating an additional 483,100 common shares without par value, ranking on a parity with the said 500,000 issued and the said 16,900 unissued common shares; and fixed the maximum consideration for issuing the 1,000,000 common shares at \$3,000,000.



5.

## SHARES ISSUED SINCE INCORPORATION

Date of Issue	No. of Shares Issued		Common	Amount Realized per share		Common	Total Realized	Purpose of Issue
	1st Pref.	2nd Pref.		1st Pref.	2nd Pref.*			
June 1, 1962	6,430			\$50			\$321,500	Amalgamation
June 1, 1962			133,100			\$ 2.18	\$290,500	Amalgamation
Nov. 7, 1962		1,000			\$ 1		\$ 1,000	Membership in shareholder dealer programme
Feb. 1, 1963		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1963		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1963		1,000			\$ 1		\$ 1,000	"
May 1, 1963		1,000			\$ 1		\$ 1,000	"
Oct. 9, 1963		1,000			\$ 1		\$ 1,000	"
Oct. 22, 1963		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1963		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1963		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1963		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1963		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1963		1,000			\$ 1		\$ 1,000	"
Dec. 1, 1963		1,000			\$ 1		\$ 1,000	"
Dec. 1, 1963		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1964		1,000			\$ 1		\$ 1,000	"
Feb. 20, 1964		1,000			\$ 1		\$ 1,000	"
Mar. 9, 1964		1,000			\$ 1		\$ 1,000	"
Mar. 9, 1964		1,000			\$ 1		\$ 1,000	"
Mar. 21, 1964		1,000			\$ 1		\$ 1,000	"
Mar. 31, 1964		1,000			\$ 1		\$ 1,000	"
Apr. 6, 1964		1,000			\$ 1		\$ 1,000	"
Apr. 15, 1964		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1964		1,000			\$ 1		\$ 1,000	"
May 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 1, 1964		1,000			\$ 1		\$ 1,000	"
June 15, 1964		1,000			\$ 1		\$ 1,000	"
July 15, 1964		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1964		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1964		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1964		1,000			\$ 1		\$ 1,000	"
Nov. 16, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 29, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1964		1,000			\$ 1		\$ 1,000	"





Date of Issue	No. of Shares Issued		Common	Amount Realized per share		Common	Total Realized	Purpose of Issue
	1st Pref.	2nd Pref.		1st Pref.	2nd Pref.*			
Mar. 1, 1965		1,000			\$ 1		\$ 1,000	Membership in shareholder dealer programme
Mar. 1, 1965		1,000			\$ 1		\$ 1,000	"
Mar. 2, 1965		1,000			\$ 1		\$ 1,000	"
Mar. 5, 1965		1,000			\$ 1		\$ 1,000	"
Mar. 8, 1965		1,000			\$ 1		\$ 1,000	"
Mar. 10, 1965		1,000			\$ 1		\$ 1,000	"
Mar. 29, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1965		1,000			\$ 1		\$ 1,000	"
May 1, 1965		1,000			\$ 1		\$ 1,000	"
May 1, 1965		1,000			\$ 1		\$ 1,000	"
May 1, 1965		1,000			\$ 1		\$ 1,000	"
May 1, 1965		1,000			\$ 1		\$ 1,000	"
May 17, 1965		1,000			\$ 1		\$ 1,000	"
June 1, 1965		1,000			\$ 1		\$ 1,000	"
June 1, 1965		1,000			\$ 1		\$ 1,000	"
June 1, 1965		1,000			\$ 1		\$ 1,000	"
June 1, 1965		1,000			\$ 1		\$ 1,000	"
June 1, 1965		1,000			\$ 1		\$ 1,000	"
June 2, 1965		1,000			\$ 1		\$ 1,000	"
July 1, 1965		1,000			\$ 1		\$ 1,000	"
July 1, 1965		1,000			\$ 1		\$ 1,000	"
July 1, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
July 1, 1965		1,000			\$ 1		\$ 1,000	"
July 2, 1965		1,000			\$ 1		\$ 1,000	"
July 22, 1965		1,000			\$ 1		\$ 1,000	"
July 22, 1965		1,000			\$ 1		\$ 1,000	"
July 26, 1965		1,000			\$ 1		\$ 1,000	"
Aug. 18, 1965		1,000			\$ 1		\$ 1,000	"
Aug. 18, 1965		1,000			\$ 1		\$ 1,000	"
Aug. 20, 1965		1,000			\$ 1		\$ 1,000	"
Aug. 22, 1965		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1965		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1965		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1965		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1965		1,000			\$ 1		\$ 1,000	"
Oct. 12, 1965		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 1, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 1, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Dec. 31, 1965		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1965		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1965		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"



Date of Issue	No. of Shares Issued		Common	Amount Realized per share		Common	Total Realized	Purpose of Issue
	1st Pref.	2nd Pref.		1st Pref.	2nd Pref.*			
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	Membership in shareholder dealer programme
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1966		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1966		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1966		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1966		1,000			\$ 1		\$ 1,000	"
May 1, 1966		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1966		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1966		1,000			\$ 1		\$ 1,000	"
May 1, 1966		1,000			\$ 1		\$ 1,000	"
May 1, 1966		1,000			\$ 1		\$ 1,000	"
Oct. 24, 1966		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1967		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1967		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1967		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1967		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1967		1,000			\$ 1		\$ 1,000	"
Jan. 1, 1967		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1967		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1967		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1967		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1967		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1967		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1967		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1967		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1967		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1967		1,000			\$ 1		\$ 1,000	"
May 1, 1967		1,000			\$ 1		\$ 1,000	"
June 1, 1967		1,000			\$ 1		\$ 1,000	"
June 1, 1967		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1967		1,000			\$ 1		\$ 1,000	"
July 1, 1967		1,000			\$ 1		\$ 1,000	"
July 1, 1967		1,000			\$ 1		\$ 1,000	"
July 1, 1967		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1967		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1967		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1967		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1967		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1967		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1967		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1967		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1967		1,000			\$ 1		\$ 1,000	"

Date of Issue	No. of Shares Issued		Common	Amount Realized per share		Common	Total Realized	Purpose of Issue
	1st Pref.	2nd Pref.		1st Pref.	2nd Pref.*			
Oct. 1, 1967		1,000			\$ 1		\$ 1,000	Membership in shareholder dealer programme
Nov. 1, 1967		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1967		1,000			\$ 1		\$ 1,000	"
Jan. 2, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1968		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1968		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1968		1,000			\$ 1		\$ 1,000	"
Feb. 1, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 1, 1968		500			\$ 1		\$ 500	"
Jan. 1, 1968		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1968		1,000			\$ 1		\$ 1,000	"
Apr. 1, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 30, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 27, 1968		500			\$ 1		\$ 500	"
Feb. 27, 1968		500			\$ 1		\$ 500	"
Feb. 19, 1968		500			\$ 1		\$ 500	"
Feb. 29, 1968		500			\$ 1		\$ 500	"
Feb. 24, 1968		500			\$ 1		\$ 500	"
Feb. 21, 1968		500			\$ 1		\$ 500	"
Mar. 8, 1968		500			\$ 1		\$ 500	"
Mar. 1, 1968		500			\$ 1		\$ 500	"
Feb. 23, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 15, 1968		500			\$ 1		\$ 500	"
Feb. 22, 1968		500			\$ 1		\$ 500	"
Feb. 21, 1968		500			\$ 1		\$ 500	"
Feb. 22, 1968		500			\$ 1		\$ 500	"
Apr. 10, 1968		500			\$ 1		\$ 500	"
Apr. 1, 1968		500			\$ 1		\$ 500	"
Mar. 16, 1968		500			\$ 1		\$ 500	"
Feb. 16, 1968		500			\$ 1		\$ 500	"
May 1, 1968		1,000			\$ 1		\$ 1,000	"
Mar. 30, 1968		500			\$ 1		\$ 500	"
Apr. 18, 1968		500			\$ 1		\$ 500	"
Apr. 11, 1968		500			\$ 1		\$ 500	"
Apr. 24, 1968		500			\$ 1		\$ 500	"
May 1, 1968		1,000			\$ 1		\$ 1,000	"
May 1, 1968		1,000			\$ 1		\$ 1,000	"
May 1, 1968		500			\$ 1		\$ 500	"
May 1, 1968		500			\$ 1		\$ 500	"
May 1, 1968		500			\$ 1		\$ 500	"
June 1, 1968		500			\$ 1		\$ 500	"
May 15, 1968		500			\$ 1		\$ 500	"
May 15, 1968		500			\$ 1		\$ 500	"
May 29, 1968		500			\$ 1		\$ 500	"
May 27, 1968		500			\$ 1		\$ 500	"
June 14, 1968		500			\$ 1		\$ 500	"
June 17, 1968		1,000			\$ 1		\$ 1,000	"
June 1, 1968		500			\$ 1		\$ 500	"
June 1, 1968		500			\$ 1		\$ 500	"
July 1, 1968		1,000			\$ 1		\$ 1,000	"
July 20, 1968		1,000			\$ 1		\$ 1,000	"
July 1, 1968		500			\$ 1		\$ 500	"
July 1, 1968		500			\$ 1		\$ 500	"
July 1, 1968		500			\$ 1		\$ 500	"
July 1, 1968		500			\$ 1		\$ 500	"
Aug. 1, 1968		1,000			\$ 1		\$ 1,000	"
July 30, 1968		500			\$ 1		\$ 500	"
Aug. 26, 1968		500			\$ 1		\$ 500	"
Oct. 1, 1968		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1968		1,000			\$ 1		\$ 1,000	"
Aug. 1, 1968		1,000			\$ 1		\$ 1,000	"
Oct. 15, 1968		1,000			\$ 1		\$ 1,000	"
Oct. 1, 1968		1,000			\$ 1		\$ 1,000	"
Sept. 1, 1968		1,000			\$ 1		\$ 1,000	"
Nov. 1, 1968		500			\$ 1		\$ 500	"
Nov. 1, 1968		500			\$ 1		\$ 500	"



No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This prospectus constitutes a public offering of these securities for sale only in those provinces of Canada where a prospectus has been filed.

## OUTSTANDING ISSUE



# D. H. HOWDEN & CO. LIMITED

## 250,000 COMMON SHARES

### WITHOUT PAR VALUE

The shares offered hereby are being sold on behalf of a shareholder of the Company and no part of the proceeds will be received by the Company, however \$1,000,000 of the proceeds will be loaned back to the Company by way of a 6% Sinking Fund Debenture. Reference is made to "Principal Shareholders" on page 9 for information relating to such selling shareholder and to page 8 for details of the 6% Sinking Fund Debenture.

	Price to Public	Underwriting Discount	Proceeds to Selling Shareholder*
Per Share .....	\$6.50	\$0.455	\$6.045
Total .....	\$1,625,000	\$113,750	\$1,511,250

\*Before deducting the expenses of the issue payable by the selling shareholder estimated at \$30,000.

## MARKET

There is at present no established market for the securities offered hereby and the price thereof was determined by negotiation.

Application has been made to list these shares on the Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of the required documents and evidence of satisfactory distribution, both within 90 days.

We, as principals, offer these Common Shares, if, as and when delivered to us and accepted by us subject to prior sale and approval of all legal matters on behalf of the Company and the selling shareholder by Messrs. Harrison, Elwood, Gregory, Littlejohn & Fleming and on our behalf by Messrs. Shepherd, McKenzie, Plaxton, Little & Jenkins. We reserve the right to accept applications for these common shares in whole or in part or to reject any application. It is expected that share certificates will be available for delivery on or about May 1, 1969.

# MIDLAND-OSLER SECURITIES LIMITED

LONDON	TORONTO	MONTREAL	NEW YORK	HAMILTON	KITCHENER
ST. THOMAS	BRANTFORD	WINNIPEG	REGINA	SASKATOON	CALGARY
EDMONTON	VANCOUVER	VICTORIA	SAULT STE. MARIE		SARNIA

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### Registrar and Transfer Agent

The transfer agent and registrar for the Company's common shares is The Canada Trust Company at Montreal, London, Toronto, Winnipeg, Calgary and Vancouver.



## **THE COMPANY**

D. H. Howden and Co. Limited was incorporated under The Ontario Companies Act by Letters Patent dated March 8, 1907. By Letters Patent dated June 1, 1962, D. H. Howden and Co. Limited amalgamated with W. Fitzgerald Limited into D. H. Howden & Co. Limited (hereinafter sometimes referred to as "Howden"). By Supplementary Letters Patent dated February 21, 1969 the 133,100 outstanding common shares without par value in the capital stock of Howden were subdivided into 500,000 common shares without par value and the authorized common shares without par value were increased to 1,000,000 common shares without par value. The head office and principal place of business of Howden is 635 Southdale Road, London, Ontario.

## **DESCRIPTION OF BUSINESS**

### **Organization and Development**

Howden began as a partnership in 1901 in London, Ontario and operated as a wholesale distributor of hardware. In 1904, the partners purchased the assets of John Bowman Hardware & Fuel Company, a well established hardware firm. In 1907 Howden was incorporated and from its warehouse at 200 York Street distributed hardware supplies to Western Ontario.

In 1922, Howden expanded again through the acquisition of the assets of the Kennedy Hardware Company in Toronto, Ontario. Nine years later Howden bought the entire stock of the Toronto based firm of H. S. Howland Sons and Company Limited and consolidated its Toronto operations in a warehouse at 1-7 Church Street, Toronto, Ontario. From this source, Howden was able to service all of Ontario.

Howden entered the electrical field in 1949 with the establishment of Howden Electrical Supply.

In 1958, all operations were combined under one company with management centralized in London. During this period Howden had developed five divisions to serve various markets: a Hardware Division servicing retail hardware stores; a Building Products Division servicing lumber dealers; a Sporting Goods Division selling to sporting goods stores, department stores and to hardware stores which have a sporting goods section; an Electrical Division selling primarily to electrical contractors including hydro and municipal accounts and to industrial accounts where the plant has its own electricians; an Architectural Division selling specialized hardware to industrial contractors against architectural plans and specifications.

Howden operates primarily in Ontario and is a member of the Pro Hardware (Canada) Limited and Span-Canada Electric Limited groups, which are national marketing organizations.

### **Present Market Trends**

Basic economic forces such as increasing operating costs, greater public mobility, consumer desire for more specialized services and the advent of the computer, have forced the development of what are called Vertical Marketing Systems to move merchandise more economically to the consumer. A vertical marketing system which is often a franchised operation is characterized by stores of common identification having similar planned merchandise assortment and using a common advertising program. Competition today is now largely between vertical marketing systems as opposed to competition between individual stores.

Today, small independent dealers are being forced by competition to join a retail chain or franchised group for greater profitability if not survival. The objectives of such a group are to increase sales through improved store merchandising, stock selection, extensive advertising using all available mass media and also to provide a store management system to reduce operating costs and to give to the retailer the benefits of volume buying. Through such a planned volume buying and marketing system improved return on investment is realized.

### **Howden Marketing Systems:**

Since 1958 Howden has undergone a change from the old line hardware distributor to the creation and operation of vertical marketing systems for hardware, electrical and sporting goods. This has been accomplished under the following integrated programs:

#### **Pro Hardware (Canada) Limited**

In 1964, PRO Hardware (Canada) Limited ("Pro Canada") was incorporated and is composed of eight non-competing wholesalers, one selected from each of the main trading areas in Canada. Each of the shareholder members is responsible for developing a chain of PRO retail hardware stores in his respective trading area, with each store being a franchised outlet and required to maintain high merchandising standards and use



the total Pro marketing system. The Head Office of Pro Canada is in London, Ontario. Its main functions within the system are to create a centralized store advertising program, to establish a nationwide common basic inventory and to act as a central buying agency. Howden owns a majority of the voting shares of Pro Canada but has agreed to cause to be elected to the Board of Directors a representative of each of seven wholesalers, forming part of the Pro system in Canada, who are themselves minority shareholders of Pro Canada. The volume discounts received by Pro Canada are apportioned among the eight shareholders, including Howden, in ratios determined by their respective volume of purchases from Pro Canada.

The Pro marketing system was first instituted in the U.S.A. by Pro Hardware, Inc., a New York corporation, and Cosgrave & Associates, carrying on business in Connecticut, U.S.A. There are approximately 1,600 retail hardware outlets in the Pro system in the U.S.A. By agreement made as of 1 November 1964 Pro Canada obtained from Pro Hardware, Inc. and Cosgrave and Associates an exclusive franchise to carry on in Canada the Pro business including the exclusive right to issue franchises to wholesalers and to authorize them to issue franchises to retailers and the right to all manuals, signs, and advertising material. Pro Canada paid \$3,000 as an initial fee and agreed to pay \$3,000 per annum thereafter and to cause its wholesalers and retailers to retain the consulting services of the American parties in the formative stages of the wholesale or retail outlet concerned. The American parties may terminate the agreement only if Pro Canada shall fail to pay monies due to them or default in the performance of its covenants and persist in such failure to pay or continue in such default for ninety days after being given notice of termination. Pro Canada may terminate at the end of any contract year by giving written notice of termination at least ninety days prior to the end of such year. In the event of termination, Pro Canada will change its corporate name and cease to use the symbols of the Pro System.

There are now approximately 400 outlets in Canada in the Pro system franchised by Pro Canada; of these approximately 200 are in Ontario and are supplied directly by Howden.

### **Building Products Program**

Howden also operates a store merchandising program for the building material dealers which includes such features as store design, inventory control systems and basic stock selections. Eighty-five major building material dealers throughout Ontario now participate in this program. Similar store management advantages accrue to the lumber dealer through this program as enjoyed by the retail hardware dealers under the Pro franchise system.

### **Sporting Goods Dealer Franchise System**

During 1968 Howden established a division of Pro Hardware (Canada) Limited, under the name Coast to Coast Sports. This new organization provides for sporting goods dealers the same basic advantages as those being enjoyed by hardware dealers and building products outlets. A major portion of this division's market also is comprised of national chain and department stores.

In addition to the Coast to Coast program, Howden also operates a store program for Ontario sporting goods dealers which includes basic stock selection and store display.

### **Span-Canada Electric Limited**

In 1965 Howden incorporated Span-Canada Electric Limited ("Span-Can") which is composed of 12 non-competing electrical wholesalers situated across Canada with a total of 43 branch operations. Howden owns a majority of the voting shares of Span-Can but has agreed to cause to be elected to the Board of Directors a representative of each of the twelve non-competing electrical wholesalers, forming part of the Span-Can system in Canada, who are themselves minority shareholders in Span-Can.

Through its central office in London, Ontario, Span-Can negotiates and administers volume purchases with major electrical manufacturers in an effort to ensure that its shareholder members are able to maintain a competitive market position.

Span-Can also makes available to Howden Electrical Supply the advantages of pooled management in the areas of merchandising, advertising, inventory and managerial techniques.

### **Shareholder Dealer Program**

All Howden dealers excepting Electrical Supply Accounts may enjoy the benefit of the shareholder dealer program through the purchase of the Second Preference Shares described on page 17. Pursuant to the terms of the agreement, the participating dealer's prices are commensurate with his purchasing efficiency,



volume and prompt payment. From Howden's point of view a more rapid turnover of both capital and inventory results. Currently there are over 500 stores participating in the program. A dealer must commit himself to this shareholder dealer program in order to enjoy its full benefits.

### Retail Operation

In 1964 Howden acquired the assets of Westown Hardware. In 1968 Howden, through its newly incorporated wholly owned subsidiary Cowan Hardware (1968) Limited acquired the assets of Cowan Hardware Limited. Both businesses are retail hardware stores located in London, Ontario and are operated by Howden to test merchandising programs, gain consumer contact and become more aware of the merchandising, inventory and accounting problems of dealers. Howden considers that it is thereby able to provide better service to dealers.

### Howden Control Systems

Prior to 1968 Howden was employing a 1440 Computer for internal systems and certain system requirements of dealers. In January, 1969 the 1440 Computer was replaced by an IBM 360-25 Computer. This enabled Howden to improve its internal control systems, to add its Electrical Supply Division to the system and to use IMPACT (Inventory Management Program and Control Techniques) which is an advanced inventory control system. In addition, Howden will be offering to its franchised dealers, on a fee basis, a complete retail store control package consisting of accounting, inventory control and accounts receivable. Through the use of a special accounting machine at the dealer location together with a coded price marking system developed by Howden, all necessary data will be compiled from which the computer can prepare a complete retail store control package.

## DESCRIPTION OF PROPERTIES

The following are the locations and general character of the principal properties of Howden and its subsidiaries:

Location	Approximate Land Area	Description of Building	Purpose	Owned or Leased	Encumbrances
(1) 635 Southdale Road London, Ontario	8 Acres	Brick, single story 90,000 sq. ft.	Head office and main hardware warehouse Office — 13,000 sq. ft. Warehouse — 77,000 sq. ft.	Leasehold	
(2) 1 - 7 Church Street Toronto, Ontario	12,000 sq. ft.	6 story brick with basement 75,000 sq. ft.	Hardware warehouse and sales office	Freehold	Nil
(3) 255 Horton Street London, Ontario	25,000 sq. ft.	2 story brick and concrete block and adjacent paved parking areas	Howden Electric Supply Office — 5,000 sq. ft. Warehouse — 17,000 sq. ft.	Leasehold	
(4) 868 Phillip Street Sarnia, Ontario	11,250 sq. ft.	Single story brick and concrete block	Electrical supply Branch warehouse 3,000 sq. ft.	Leasehold	
(5) 130 Stronach Crescent London, Ontario	10,000 sq. ft.	Single story brick	Architectural hardware Office and warehouse 4,000 sq. ft.	Leasehold	
(6) Lot - 200 York Street London, Ontario	14,625 sq. ft.	Vacant Lot	Operated as Parking Lot	Freehold	Nil
(7) Lot - 339 Clarence Street London, Ontario	3,500 sq. ft.	Vacant Lot	Operated as Parking Lot	Freehold	Nil
(8) Cowan Pro Hardware 125 - 127 Dundas Street London, Ontario	5,040 sq. ft.	Five story brick 25,200 sq. ft.	Retail Hardware outlet 3 floors Sales 2 floors Storage	Leasehold	
(9) Westown Pro Hardware Westown Plaza Oxford Street West London, Ontario	2,000 sq. ft.	Brick shopping plaza	Retail Hardware outlet One floor	Leasehold	

In the opinion of Howden the above mentioned properties are suitable and adequate for its present requirements.

## CAPITALIZATION

	Amount authorized or to be authorized	Outstanding December 31, 1968	Outstanding February 28, 1969	To be outstanding on completion of the sale of the 6% Sinking Fund Debenture
<b>Bank Indebtedness</b> —secured (Note 1)		\$1,508,000	\$1,802,133	\$ 802,133
<b>Funded Debt:</b>				
8% first mortgage debentures due May 1, 1977 (Note 2) ..	\$ 195,000	\$ 142,798	\$ 140,804	\$ 140,804
6% sinking fund debentures due May 1, 1989 (Note 3) .....	\$1,000,000			\$1,000,000
<b>Share Capital:</b>				
5½% cumulative redeemable participating sinking fund first preference shares of \$50.00 par value each (Note 4)	5,413 shs. \$ 270,650	5,413 shs. \$ 270,650	5,413 shs. \$ 270,650	5,413 shs. \$ 270,650
3% non-cumulative redeemable preference shares of \$1.00 par value each (Note 4) .....	459,500 shs. \$ 459,500	256,000 shs. \$ 256,000	256,000 shs. \$ 256,000	256,000 shs. \$ 256,000
Common shares without par value (Note 5) .....	1,000,000 shs.	133,100 shs. \$ 290,500	500,000 shs. \$ 290,500	500,000 shs. \$ 290,500

- Notes: (1) The bank indebtedness is secured by an assignment of book debts of the company. The interest rate as at February 28, 1969 was 7¾% on advances by way of demand loan up to \$950,000 and 7% on advances by way of demand loan in excess of \$950,000. It is proposed to apply \$1,000,000 of the proceeds from the issue of the 6% Sinking Fund Debentures in reduction of the bank indebtedness.
- (2) The 8% first mortgage debentures constitute an obligation of Cowan Hardware (1968) Limited, a wholly-owned subsidiary, and are repayable in blended payments of principal and interest of \$1,923 monthly.
- (3) By agreement dated March 6, 1969, the company has agreed to sell and Howden Holdings Limited has agreed to buy the 6% Sinking Fund Debenture more particularly described on page 8 of this prospectus.
- (4) Reference is made to pages 16 and 17 for description of the attributes and characteristics of each class of preference share.
- (5) Pursuant to Supplementary Letters Patent dated February 21, 1969 the company subdivided the 133,100 common shares outstanding into 500,000 common shares and increased the total authorized number of common shares to 1,000,000. In addition to the stated value of the issued common shares, the company and its subsidiaries had consolidated retained earnings of \$1,357,795 as at December 31, 1968.
- (6) The obligations of the company and its subsidiaries with respect to leases of real property are set forth in Note 7 to the Consolidated Financial Statements on page 15.

## COMMON SHARES

All the Common Shares without par value ("Common Shares") rank equally as to entitlement to dividends, voting rights (each Common Share carrying one vote at all meetings of shareholders) and repayment on liquidation or other distribution. All the Common Shares offered by this prospectus have been issued as fully paid and non-assessable shares. Further Common Shares may be allotted and issued at such times, in such manner and to such persons as the directors of Howden may from time to time determine and accordingly, the holders of Common Shares do not have pre-emptive rights.

The Common Shares are subject to the provisions attached to the 6% Sinking Fund Debenture outlined on page 8, the provisions of the First Preference Shares outlined on page 16 and the provisions of the Second Preference Shares outlined on page 17.



## DIVIDEND RECORD AND POLICY

Howden has paid the following dividends on its outstanding First Preference Shares, Second Preference Shares and Common Shares in respect of each of the following years ended December 31:

	1964	1965	1966	1967	1968
<b>5½ % Cumulative Redeemable Participating Sinking Fund First Preference Shares</b> par value \$50 each					
Total .....	\$17,259	\$16,783	\$16,284	\$15,356	\$15,177
Per Share .....	2.75	2.75	2.75	2.75	2.75
<b>3% Non-cumulative Redeemable Second Preference Shares</b> par value \$1 each					
Total .....	\$ 1,224	\$ 3,778	\$ 5,242	\$ 5,904	\$ 6,968
Per Share .....	.03	.03	.03	.03	.03
<b>Common Shares</b> without par value					
Total .....	\$30,613	\$30,613	\$30,613	\$30,613	\$30,613
Per Share (1) .....	.06	.06	.06	.06	.06

(1) Note: The dividends per common share reflect the subdivision of the common shares mentioned in note (5) under the heading Capitalization.

The Board of Directors on April 2, 1969 declared a dividend of \$1.375 per share on the outstanding 5½ % Cumulative Redeemable Participating Sinking Fund First Preference Shares and \$0.03 per share on the outstanding common shares both payable April 15, 1969 to shareholders of record March 31, 1969 but has formed no intention regarding future dividends on the Common Shares at this time.

## PURPOSE OF FINANCING

Howden will not receive any of the proceeds from the sale of the 250,000 common shares owned by Howden Holdings Limited (the "Selling Shareholder") and offered by this prospectus.

The Selling Shareholder has agreed to purchase and Howden has agreed to sell a 6% Sinking Fund Debenture in the aggregate amount of \$1,000,000 as per agreement dated March 6, 1969 and referred to on page 8.

Howden will apply \$1,000,000 on its bank indebtedness.

## UNDERWRITING AGREEMENT

By agreement dated April 2, 1969 between Howden, Howden Holdings Limited, (the "Selling Shareholder") and Midland-Osler Securities Limited and Isard, Robertson, Easson Co. Limited hereinafter referred to as "the Underwriters":—

- (a) The Underwriters agree to purchase from the selling shareholder 250,000 common shares of Howden for \$1,511,250 being equivalent to \$6.045 per share;
- (b) Howden agrees coincident with the closing of the Underwriting to issue for cash the 6% Sinking Fund Debentures described on page 8;
- (c) The Selling Shareholder will pay certain expenses in connection with the issue and sale of the common shares by this prospectus estimated to amount to \$30,000;
- (d) The Underwriters may refuse to complete the purchase and sale under specific circumstances but in no case will the Underwriters have the right to purchase part only of the common shares offered by this prospectus;
- (e) The Underwriters may offer 250,000 common shares at any price or prices not to exceed the price to the public set forth on the facing page of this prospectus;
- (f) The Selling Shareholder has agreed that it will not, without the Underwriter's written consent, sell, during the period of one year commencing at the date of the closing of the Underwriting, Common Shares of Howden owned by it at the date of the said agreement other than those offered by this prospectus.

## DEBENTURE

By agreement dated March 6, 1969 made between Howden and Howden Holdings Limited, Howden agreed to issue \$1,000,000 principal amount of 6% Sinking Fund Debentures (the "6% Debentures") to Howden Holdings Limited for cash at par to be issued and sold on the date on which this underwriting shall be completed.

Interest at the rate of 6 per cent per annum shall be paid on November 1, 1969 and half yearly thereafter on the 1st days of May and November in each year. The 6% Debentures shall mature on May 1, 1989 unless sooner paid as herein provided. The 6% Debentures may be redeemed at any time in whole or in part at par together with accrued interest to the date of redemption.

The 6% Debentures shall be secured by a deed of trust constituting a first floating charge in favour of the trustee for the benefit of the registered holders upon the undertaking of Howden and all its properties and assets both present and future but will be subordinated in all respects to any form of security presently held or hereafter given by Howden to its bankers.

Howden shall set aside by May 1 in each year commencing in 1970 a sum equal to ten per cent of the net income of Howden in the previous year as reported on Howden's financial statements calculated in accordance with generally accepted accounting principles, and reported upon by the auditors of Howden. Not later than May 15, in each year the trustee under the said deed of trust shall call for redemption 6% Debentures in an amount equal to the sum so set aside, so as to, as nearly as possible, exhaust the said sum.

## MANAGEMENT

Name and Address	Position	Principal Occupation for past five years
John James McFarlane Stewart, Apt. 420, 11 Elm Avenue, Toronto 5, Ontario.	Honorary Chairman of the Board and Consultant	Retired Bank Manager
<u>DIRECTORS AND OFFICERS</u>		
David Howden McFarlane Stewart, 15 Northcrest Drive, London, Ontario.	President and Director	Chief Executive Officer of Howden
Norman McBeth, 21 Kingsford Crescent, London, Ontario.	Secretary-Treasurer and Director	Chief Financial Officer of Howden
Donald Raymond Hughes, 287 Base Line Road, London, Ontario.	Director	President of Span-Canada Electric Limited since January 1966. Prior to January 1966 Manager, Electrical Division of Howden
Roy Watt Robertson, 34 Mayfair Drive, London, Ontario.	Director	Vice-President, Isard, Robertson, Easson & Co. Ltd.
John William Adams, 1597 Ryersie Road, London, Ontario.	Director	Vice-President Finance and Treasurer, Emco Ltd.
David Struan Robertson Leighton, 720 Riverside Drive, London, Ontario.	Director	Professor of Marketing, Graduate School of Business Administration, University of Western Ontario.
John David Harrison, Q.C. 281 Commissioners Road East, London, Ontario.	Director	Solicitor, partner, Harrison, Elwood, Gregory, Littlejohn & Fleming.



## Remuneration of Senior Officers and Directors

The By-laws of Howden provide, in effect, that the Board of Directors is authorized to fix at any time and from time to time by resolution the remuneration of the directors and officers.

The aggregate direct remuneration paid or payable by Howden and its subsidiaries to the directors and to the senior officers, (each officer whose remuneration is included in this calculation received in excess of \$10,000 per annum) is as follows:

	Directors	Senior Officers
The year ended December 31, 1968 .....	\$ 800	\$133,949
The period January 1, 1969 to February 28, 1969 .....	Nil	16,250
The year ended December 31, 1969 (Estimated) .....	1,600	150,000

The estimated cost to Howden and its subsidiaries for the fiscal year ended December 31, 1968 of all pension benefits to or for the benefit of the directors and senior officers of Howden was \$2,057.

## Interest of Management and Others in Material Transactions

There have been no material transactions during the three year period prior to the date of this prospectus in which the officers or directors of Howden have had any material interest save and except that Roy Watt Robertson, a director of Howden, is also a director of Isard, Robertson, Easson Co. Limited which Company is a party to the underwriting agreement, details of which are outlined on page 7.

## PRINCIPAL SHAREHOLDERS

The following table shows the number of shares without par value of Howden owned of record and beneficially, directly or indirectly by the only person or company which at the date hereof so owns more than 10% of such shares:

Name and Address	Description of Class	Type of Ownership	No. of Shares Owned	Percentage of Class
Howden Holdings Limited 635 Southdale Rd., London, Ontario.	Common without par value	of record and beneficially	499,993 7 )	100%

The following table shows the percentage of the issued equity shares of Howden Holdings Limited (the selling shareholder) owned directly or indirectly at the date hereof by all directors and senior officers of Howden including Mrs. Lydia E. Howden who is neither a director nor senior officer:

Name and Address	Description of Class	Type of Ownership	No. of Shares Owned	Percentage of Class
Lydia E. Howden R.R. #1, Gormley, Ontario.	Class A Preference (voting)	of record and beneficially	234	3.9
Lydia E. Howden as executrix of N. R. Howden Estate R.R. #1, Gormley, Ontario.	Class A Preference (voting)	of record, held in trust for beneficiaries of N. R. Howden Estate	5,766	96.1
David Howden McFarlane Stewart 15 Northcrest Dr., London, Ontario.	Common without par value	of record and beneficially	4,975	83.0

Howden Holdings Limited owned 500,000 common shares of Howden prior to the offering for its account of the 250,000 common shares without par value offered hereby. After completion of such offering, Howden Holdings Limited will own 250,000 common shares without par value of Howden.

On completion of this underwriting Howden Holdings Limited intends to redeem and cancel all its Class A Preference Shares now outstanding whereby Lydia E. Howden personally and as executrix of N. R. Howden Estate will cease to be a shareholder of that Company.

### **MATERIAL CONTRACTS**

The following are the particulars of every material contract entered into by Howden including its subsidiaries within the two years preceding the date hereof, in addition to contracts in the ordinary course of business:

1. The Underwriting Agreement dated April 2, 1969 and referred to on page 7.
2. IBM contract dated March 15, 1968 covering the machine service on an IBM 360-25 computer and peripheral equipment in the amount of \$7,700 per month which may be cancelled by either party with 30 days notice. The agreement permits adjustments in price to be made with reasonable notice.
3. A contract dated March 6, 1969 relating to the issuance of a debenture securing \$1,000,000 for particulars of which reference is made to "Debenture" on page 8.

As of November 1, 1964, Howden entered into a contract with Pro Hardware, Inc. and Cosgrave and Associates for particulars of which see page 4.

Copies of the above material contracts may be inspected during ordinary business hours at the head office of the company at 635 Southdale Road, London, Ontario during the course of primary distribution to the public of the securities offered by this prospectus and for a period of 30 days thereafter.

### **PENDING LEGAL PROCEEDINGS**

The only pending legal proceedings material to Howden to which Howden or any of its subsidiaries are parties, is a judgment by R. Sparling as plaintiff and Howden as defendant for damages in the amount of \$25,607 and costs. This judgment was confirmed by the Court of Appeal for Ontario and is presently under appeal to the Supreme Court of Canada. The said judgment and costs and the anticipated costs of the appeal to the Supreme Court of Canada have been fully provided for in the financial statements for the year ending December 31, 1968 forming part of this prospectus.



## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

The attention of purchasers in the Provinces of Ontario, Manitoba, Saskatchewan and Alberta of any of the securities covered by this prospectus which are offered in such Provinces is drawn to certain statutory provisions which permit such purchasers in certain events and subject to certain conditions

- (a) to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor or his agent not later than midnight on the second business day after the final prospectus or amended final prospectus is received or deemed to be received by the purchaser or his agent; and
- (b) to rescind the agreement of purchase by institution of legal proceedings within ninety days from the date of receipt or deemed receipt of the final prospectus or an amended final prospectus by the purchaser or his agent or the date of the agreement of purchase, whichever is later, if such prospectus or amended prospectus, as of the date of receipt or deemed receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of such provisions is contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario) of The Securities Act, 1968 (Manitoba) and of The Securities Act, 1967 (Alberta) and in Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan).

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide in effect that, where a security is offered to the public in the course of primary distribution,

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports, as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said last mentioned Act for the complete text of the provisions under which the foregoing rights are conferred.

## **AUDITORS**

The auditors of Howden are Touche, Ross, Bailey & Smart, Chartered Accountants, 200 Queens Avenue, London, Ontario.

## **LEGAL MATTERS**

Legal matters in connection with the sale of the common shares offered by this prospectus will be passed upon on behalf of the Underwriters by Messrs. Shepherd, McKenzie, Plaxton, Little & Jenkins and on behalf of Howden and the selling shareholder by Messrs. Harrison, Elwood, Gregory, Littlejohn & Fleming, on whose opinion as to title and certain other matters counsel for the Underwriters may rely.

**D. H. HOWDEN & CO. LIMITED AND**  
**CONSOLIDATED BALANCE SHEET AND**  
**AS AT DEC**

	<b>ASSETS</b>	
	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet
<b>Current</b>		
Cash .....	\$ 37,321	\$ 37,321
Accounts receivable .....	2,368,017	2,368,017
Due from directors and officers .....	8,454	8,454
Inventories, at the lower of cost and market .....	2,397,661	2,397,661
Prepaid expense .....	28,660	28,660
	<u>4,840,113</u>	<u>4,840,113</u>
 <b>Property, Plant and Equipment, at cost</b>		
Land .....	44,761	44,761
Buildings .....	148,114	148,114
Equipment and vehicles .....	363,624	363,624
	<u>556,499</u>	<u>556,499</u>
Less accumulated depreciation .....	367,057	367,057
	<u>189,442</u>	<u>189,442</u>
Unamortized leasehold improvements .....	50,680	50,680
	<u>240,122</u>	<u>240,122</u>
 <b>Other</b>		
Cash surrender value of life insurance .....	16,335	16,335
Equity in unconsolidated subsidiaries, at cost (Note 1) .....	2,820	2,820
Special refundable tax .....	3,428	3,428
	<u>22,583</u>	<u>22,583</u>
	<u><u>\$5,102,818</u></u>	<u><u>\$5,102,818</u></u>

On behalf of the Board:

(Signed) D. H. M. STEWART, Director

(Signed) N. McBETH, Director



**WHOLLY-OWNED SUBSIDIARY COMPANIES**  
**PRO FORMA CONSOLIDATED BALANCE SHEET**  
**December 31, 1968**

<b>LIABILITIES</b>		
<b>Current</b>	<b>Consolidated Balance Sheet</b>	<b>Pro Forma Consolidated Balance Sheet</b>
Bank indebtedness - secured .....	\$1,508,800	\$ 508,800
Accounts payable and accrued liabilities .....	1,086,233	1,086,233
Income taxes payable .....	120,824	120,824
Due to parent company .....	70,212	70,212
Current portion of long-term debt .....	12,450	12,450
	<u>2,798,519</u>	<u>1,798,519</u>
<b>Long-term debt</b>		
8% first mortgage debentures (Note 4) .....	129,354	129,354
6% sinking fund debentures due May 1, 1989 .....	—	1,000,000
	<u>129,354</u>	<u>1,129,354</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b>		
5½% cumulative, redeemable, participating sinking fund first preference shares of \$50 par value each Authorized, issued and fully paid (Note 5) Consolidated — 5,413 shares; pro forma 5,413 shares .....	270,650	270,650
3% non-cumulative, redeemable second preference shares of \$1 par value each Authorized Consolidated 459,500 shares; pro forma 459,500 shares Issued and fully paid (Note 6) Consolidated 256,000 shares; pro forma 256,000 shares .....	256,000	256,000
Common shares without par value Authorized Consolidated 150,000 shares; pro forma 1,000,000 shares Issued and fully paid Consolidated 133,100 shares; pro forma 500,000 shares .....	290,500	290,500
<b>Retained Earnings</b>	1,357,795	1,357,795
	<u>2,174,945</u>	<u>2,174,945</u>
	<u>\$5,102,818</u>	<u>\$5,102,818</u>

To the Directors of  
D. H. Howden & Co. Limited,  
London, Ontario.

**AUDITORS' REPORT**

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of D. H. Howden & Co. Limited and its wholly-owned subsidiaries as at December 31, 1968 and the consolidated statements of earnings and retained earnings for the five years then ended.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and the consolidated statements of earnings and retained earnings present fairly the consolidated financial position of the companies as at December 31, 1968 and the consolidated results of operations for the five years then ended in accordance with generally accepted accounting principles applied on a consistent basis throughout the five year period.

Also, in our opinion, the accompanying pro forma consolidated balance sheet presents fairly the consolidated financial position of the companies as at December 31, 1968 after giving effect to the adjustments set forth in Note 2 to the consolidated financial statements.

London, Ontario,  
April 2, 1969.

(Signed) TOUCHE, ROSS, BAILEY & SMART,  
Chartered Accountants

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Years ended December 31				
	1968	1967	1966	1965	1964
Balance—beginning of year .....	\$ 1,152,375	\$ 996,139	\$ 917,747	\$ 861,870	\$ 828,170
Add: Net income for the year .....	258,178	208,109	130,531	107,051	82,796
	<u>1,410,553</u>	<u>1,204,248</u>	<u>1,048,278</u>	<u>968,921</u>	<u>910,966</u>
Deduct: Dividends declared on:					
First preference shares .....	15,177	15,356	16,284	16,783	17,259
Second preference shares .....	6,968	5,904	5,242	3,778	1,224
Common shares .....	30,613	30,613	30,613	30,613	30,613
	<u>52,758</u>	<u>51,873</u>	<u>52,139</u>	<u>51,174</u>	<u>49,096</u>
Balance—end of year .....	<u>\$ 1,357,795</u>	<u>\$ 1,152,375</u>	<u>\$ 996,139</u>	<u>\$ 917,747</u>	<u>\$ 861,870</u>

## CONSOLIDATED STATEMENT OF EARNINGS

	Years ended December 31				
	1968	1967	1966	1965	1964
Gross sales .....	\$19,577,456	\$17,721,084	\$15,459,699	\$13,389,614	\$11,781,074
Less Sales Tax .....	1,591,860	1,541,411	1,241,696	1,059,978	902,935
Net sales .....	<u>\$17,985,596</u>	<u>\$16,179,673</u>	<u>\$14,218,003</u>	<u>\$12,329,636</u>	<u>\$10,878,139</u>
Cost of sales .....	13,819,318	12,684,198	11,131,703	9,709,662	8,662,650
	<u>4,166,278</u>	<u>3,495,475</u>	<u>3,086,300</u>	<u>2,619,974</u>	<u>2,215,489</u>
Cash discounts and sundry income..	224,342	163,906	127,513	151,526	141,506
	<u>4,390,620</u>	<u>3,659,381</u>	<u>3,213,813</u>	<u>2,771,500</u>	<u>2,356,995</u>
Deduct:					
Operating expenses .....	3,776,799	3,220,507	2,919,262	2,543,062	2,179,896
Provision for pending litigation (Note 8) .....	30,000				
Interest on long-term debt .....	7,612	845	1,625	3,296	3,580
Depreciation .....	<u>37,031</u>	<u>24,920</u>	<u>23,395</u>	<u>22,091</u>	<u>19,723</u>
Income from operations .....	539,178	413,109	269,531	203,051	153,796
Provision for taxes on income .....	281,000	205,000	139,000	96,000	71,000
Net income for the year .....	<u>\$ 258,178</u>	<u>\$ 208,109</u>	<u>\$ 130,531</u>	<u>\$ 107,051</u>	<u>\$ 82,796</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1968**

**1. PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, Howden-Howland Limited and Cowan Hardware (1968) Limited. The accounts of Cowan Hardware (1968) Limited, which commenced operation on May 1, 1968, have been consolidated on the basis of that company's accounts at January 31, 1969.

The equity of D. H. Howden & Co. Limited in unconsolidated subsidiaries consists of the company's investment in Pro Hardware (Canada) Limited and in Span-Canada Electric Limited. These companies are composed of a number of non-competing wholesalers across Canada who participate in an integrated merchandising program and volume purchasing. While these two companies are technically subsidiaries of D. H. Howden & Co. Limited through ownership of voting control, the volume discounts derived from their operations are apportioned to the participating member companies on the basis of volume. The portion of such volume discounts attributable to the purchases by D. H. Howden & Co. Limited has been reflected in the accompanying financial statements but it was considered inappropriate to consolidate the assets and liabilities of these companies since they consist primarily of amounts due from unrelated companies to these subsidiaries with offsetting amounts due to various manufacturers for purchases made on their behalf.

**2. PRO FORMA ADJUSTMENTS**

The pro forma consolidated balance sheet sets forth the consolidated financial position of the company as at December 31, 1968 after giving effect to the following:

- (1) The issuance of supplementary letters patent dated February 21, 1969 increasing the authorized common share capital to 1,000,000 shares without par value and the subdivision of the 133,100 issued and fully paid common shares of the company into 500,000 common shares without par value.
- (2) The sale of the 6% Sinking Fund Debentures in the principal amount of \$1,000,000 and the application of the proceeds to the reduction of the bank indebtedness.

**3. CONTINGENT LIABILITIES**

The company is contingently liable for trade paper under discount to the amount of \$97,125.

**4. LONG-TERM DEBT**

8% First Mortgage Debenture repayable in monthly instalments of \$1,923 — blended principal and interest and maturing on May 1, 1977 .....	\$141,804
Less principal payable within one year included in current liabilities .....	12,450
	\$129,354

**5. FIRST PREFERENCE SHARES**

Under the redemption provisions attaching to the First Preference Shares, 106 shares were purchased for cancellation during the year at a cost of \$4,852.

**6. SECOND PREFERENCE SHARES**

During the year 54,500 Second Preference Shares were issued for cash and 10,500 shares were redeemed at par value.

**7. LEASE OBLIGATIONS**

The annual rental and expiry dates with respect to all leasehold properties are as follows:

Property	Annual Rental	Expiry Date
635 Southdale Road, London	\$46,350	April 30, 1986
255 Horton Street, London	17,400	November 30, 1980
125-127 Dundas Street, London	18,000	April 30, 1978
868 Phillip Street, Sarnia	4,680	December 14, 1972
130 Stronach Crescent, London	3,600	November 30, 1969
Westown Plaza, London	4,452	Monthly tenancy

## 8. PENDING LITIGATION

A judgment of the Supreme Court of Ontario awarded R. Sparling, as plaintiff, damages in the amount of \$25,607 and costs against the company as defendant. This judgment was confirmed by the Court of Appeal for Ontario and is presently under appeal to the Supreme Court of Canada. The said judgment and the anticipated costs of the appeal have been fully provided for in the financial statements for the year ended December 31, 1968.

## 9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration by the company and its subsidiaries to the directors and senior officers for the year ended December 31, 1968 was \$134,749.

## FIRST PREFERENCE SHARES OF HOWDEN

There are authorized, issued and outstanding as fully paid and non-assessable 5,413 5½ % cumulative redeemable participating sinking fund first preference shares ("First Preference Shares") of \$50 par value each.

### Dividends

The holders of First Preference Shares are entitled to receive as and when declared by the board of directors fixed, cumulative cash dividends at the annual rate of 5½ % being \$2.75 per share payable half yearly. These dividends rank prior to payment of dividends on the common shares and any other shares ranking junior to the First Preference Shares.

### Participation

Whenever in any calendar year a dividend of or dividends aggregating Six cents (6¢) a share have been paid or declared and set aside for payment on the common shares outstanding, any and all further dividends (not being fixed cumulative preferential dividends on the First Preference Shares) declared and payable in such calendar year to the maximum hereinafter provided shall be declared and paid or set aside for payment as to one-half (½) of the total of such dividends in equal amounts per share on all the outstanding First Preference Shares up to a maximum of Two dollars (\$2) on each First Preference Share outstanding and the remaining one-half (½) of such total amount of dividends shall be paid in equal amounts per share on the common shares at the time outstanding; after First Preference Shares have received in any calendar year in addition to the fixed cumulative preferential dividend the further sum of Two dollars (\$2) per share, they shall not be entitled to receive any portion of any or all further dividends declared and payable in such calendar year.

### Redemption and Purchase

Howden may redeem all or from time to time any part of its outstanding First Preference Shares on 30 days notice of payment for each share of the amount paid up thereon, together with a premium of 3% of the amount paid up plus all unpaid cumulative dividends whether or not earned or declared to the date of redemption.

Howden may at any time purchase for cancellation the whole or any part of its First Preference Shares outstanding from time to time in the open market or by tender at the lowest price at which, in the opinion of the directors, such shares are obtainable, but not exceeding the redemption as set out above, plus the costs of purchase and all unpaid preferential dividends which shall have accrued thereon.

### Sinking Fund

On or before October 15 in each year commencing in the year 1962, Howden shall set aside as a sinking fund an amount equal to \$5,000 plus an amount equivalent to 5½ % of the par value of all its First Preference Shares previously purchased out of sinking fund money to be used for their redemption.

Should there be no consolidated net earnings of Howden, then no amount need be set aside for sinking fund purposes. Further, should the net amount of net earnings remaining after deducting regular First Preference Share dividends be less than the amount required to be set aside in the next following year, then Howden may be required to set aside only such lesser amount.

Purchases for cancellation must be completed within 30 days of October 15 each year. After expiry of this period the unused balance will be applied toward redemption by call; there is no obligation to call if the balance is less than \$3,000 in which event the sum will be set aside and not used for any other purpose.



Howden has the right to acquire from time to time First Preference Shares in excess of the yearly sinking fund requirement.

The creation of conditions affecting the First Preference Shares or of shares of any preference ranking in priority to or on a parity with the First Preference Shares can only be done with the consent of at least two-thirds of the votes cast at a meeting of First Preference Shareholders.

### **Voting Rights**

The holders of First Preference Shares shall not as such have any voting rights for the election of directors or for any other purpose nor shall they be entitled to attend shareholders' meetings unless and until Howden shall fail, for a period aggregating 2 years, to pay the dividend on the First Preference Shares. Should this situation arise the holders shall, until all arrears of dividends have been paid on First Preference Shares, be entitled to attend all shareholders meetings and shall have thereat one vote per First Preference Share held. In any case, they are entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of Howden or the sale of its undertaking or a substantial part thereof.

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding up of Howden or other distribution of its assets among the shareholders by way of repayment of capital, the holders of the First Preference Shares shall be entitled to receive the amount paid up thereon, together with all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued thereon and which, for such purpose, shall be treated as accruing up to the date of such distribution, in priority to any distribution to the holders of the common shares or any shares of any other class ranking junior to the First Preference Shares and such holders shall not be entitled to share any further in the distribution of the property or assets of Howden.

## **SECOND PREFERENCE SHARES OF HOWDEN**

There are issued and outstanding as fully paid and non-assessable 256,000 3% non-cumulative redeemable second preference shares ("Second Preference Shares") of \$1 par value each.

### **Dividends**

The holders of the Second Preference Shares shall in each year in the discretion of the directors, but always in preference and priority to any payment of dividends on the common shares for such year, be entitled, out of any or all profits or surplus available for dividends, to non-cumulative dividends at the rate of three per cent (3%) per annum on the amount paid up on the Second Preference Shares; if in any year, after providing for the full dividend on the Second Preference Shares, there shall remain any profits or surplus available for dividends, such profits or surplus or any part thereof may, in the discretion of the directors, be applied to dividends on the common shares; the holders of the Second Preference Shares shall not be entitled to any dividend other than or in excess of the non-cumulative dividends at the rate of three per cent (3%) per annum hereinbefore provided for;

### **Redemption and Purchase**

Howden may, upon giving notice as hereinafter provided, redeem the whole or any part of the Second Preference Shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid; not less than thirty (30) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date and place or places of redemption; if notice of any such redemption be given by Howden in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada, as specified in the notice, on or before the date fixed for redemption, dividends on the Second Preference Shares to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against Howden in respect thereof except, upon surrender of certificates for such shares, to receive payment therefor out of the moneys so deposited;

Howden may, at any time and from time to time, purchase for cancellation the whole or any part of the Second Preference Shares at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding the amount paid up thereon, together with all dividends declared thereon and unpaid;

### **Voting Rights**

The holders of the said Second Preference Shares shall not be entitled to vote at any meetings of the shareholders but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of Howden or the sale of its undertaking or a substantial part thereof; and

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding up of Howden, whether voluntary or involuntary, the holders of the Second Preference Shares shall be entitled to receive, after payment to the holders of the First Preference Shares of the amount due thereon but before any distribution of any part of the assets of Howden among the holders of any other shares, an amount equal to the amount paid thereon and any dividends declared thereon and unpaid and no more;

The creation of conditions affecting the Second Preference Shares or of shares of any preference ranking in priority to or on a parity with the Second Preference Shares can only be done with the consent of at least two-thirds of the votes cast at a meeting of Second Preference Shareholders.

### **CERTIFICATE OF THE COMPANY**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario), by Part VII of The Securities Act, 1968 (Manitoba), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part 7 of The Securities Act, 1967 (Alberta) and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, and by the respective governmental authorities under Section 13 of the Securities Act (Quebec).

Dated April 2, 1969.

(Signed) D. H. M. STEWART  
Chief Executive Officer  
and Director

(Signed) N. McBETH  
Chief Financial Officer and Director

(Signed) J. D. HARRISON, Q.C.  
Director

(Signed) D. R. HUGHES  
Director

(Signed) R. W. ROBERTSON  
Director

(Signed) J. W. ADAMS  
Director

(Signed) D. S. R. LEIGHTON  
Director



## **CERTIFICATE OF THE UNDERWRITERS**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario), by Part VII of The Securities Act, 1968 (Manitoba), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part 7 of The Securities Act, 1967 (Alberta) and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, and by the respective governmental authorities under Section 13 of the Securities Act (Quebec) and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing paragraph.

**MIDLAND-OSLER SECURITIES LIMITED**

**ISARD, ROBERTSON, EASSON CO. LIMITED**

(Signed) R. G. McCULLOCH  
Director

(Signed) D. W. C. BRENT  
Director

The following includes the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of:

Midland-Osler Securities Limited: E. M. Kennedy, David B. Weldon, R. G. McCulloch, J. T. Skelly, E. H. Gunn, W. A. Stewart, C. W. McBride, T. W. Meredith and W. A. Dakin.

Isard, Robertson, Easson Co. Limited: John L. Easson, Donald W. C. Brent, J. Lovell Martyn and Douglas Henderson.





[illegible]

## 6. STOCK PROVISIONS AND VOTING POWER

## 7. DIVIDEND RECORD FOR PRECEDING TEN YEARS Predecessor Companies

Date and Year	1st Preference	2nd Preference	Common	Rate per share
April 15, 1959	\$9,405.00			\$ 1.375
October 15, 1959	\$9,405.00			\$ 1.375
March 18, 1959			\$ 5,000.00	\$ .04
June 1, 1959			\$ 5,000.00	\$ .04
September 1, 1959			\$ 5,000.00	\$ .04
October 1, 1959			\$ 5,000.00	\$ .04
April 15, 1960	\$9,226.25			\$ 1.375
October 15, 1960	\$9,226.25			\$ 1.375
March 1, 1960			\$ 5,000.00	\$ .04
June 1, 1960			\$ 5,000.00	\$ .04
September 1, 1960			\$ 5,000.00	\$ .04
December 1, 1960			\$ 5,000.00	\$ .04
April 15, 1961	\$8,896.25			\$ 1.375
October 15, 1961	\$8,896.25			\$ 1.375
March 1, 1961			\$ 5,000.00	\$ .04
June 1, 1961			\$ 5,000.00	\$ .04
September 1, 1961			\$ 5,000.00	\$ .04
December 1, 1961			\$ 5,000.00	\$ .04
April 15, 1962	\$8,813.75			\$ 1.375
March 1, 1962			\$ 5,000.00	\$ .04
May 29, 1962			\$ 5,000.00	\$ .04

## W. FITZGERALD LIMITED

No dividends were declared and paid by this company on its outstanding 8,100 common shares for the period commencing January 1, 1959 through to and including June 1, 1962.

### The Continuing Company D. H. HOWDEN & CO. LIMITED

The following dividends were paid during the period commencing June 1, 1962 (date of amalgamation):

Date and Year	1st Preference	2nd Preference	Common	Rate per share
October 15, 1962	\$8,813.75			\$ 1.375
September 15, 1962			\$ 5,324.00	\$ .04
December 13, 1962			\$15,972.00	\$ .12
April 15, 1963	\$8,813.75			\$ 1.375
October 15, 1963	\$8,813.75			\$ 1.375
February 21, 1963			\$14,641.00	\$ .11
May 29, 1963			\$ 5,324.00	\$ .04
September 10, 1963			\$ 5,324.00	\$ .04
November 22, 1963			\$ 5,324.00	\$ .04
December 31, 1963		\$ 287.00		\$ .03
April 15, 1964	\$8,629.50			\$ 1.375
October 15, 1964	\$8,629.50			\$ 1.375
February 20, 1964			\$14,641.00	\$ .11
May 30, 1964			\$ 5,324.00	\$ .04
September 4, 1964			\$ 5,324.00	\$ .04
November 30, 1964			\$ 5,324.00	\$ .04
December 31, 1964		\$1,224.00		\$ .03
April 15, 1965	\$8,391.62			\$ 1.375
October 15, 1965	\$8,391.62			\$ 1.375
February 22, 1965			\$14,641.00	\$ .11
May 30, 1965			\$ 5,324.00	\$ .04
August 31, 1965			\$ 5,324.00	\$ .04
November 30, 1965			\$ 5,324.00	\$ .04
December 31, 1965		\$3,778.00		\$ .03
April 15, 1966	\$8,391.63			\$ 1.375
October 15, 1966	\$7,892.50			\$ 1.375
February 22, 1966			\$14,641.00	\$ .11
May 30, 1966			\$ 5,324.00	\$ .04
August 31, 1966			\$ 5,324.00	\$ .04
November 30, 1966			\$ 5,324.00	\$ .04
December 31, 1966		\$5,242.00		\$ .03
April 15, 1967	\$7,768.75			\$ 1.375
October 15, 1967	\$7,588.62			\$ 1.375
February 22, 1967			\$14,641.00	\$ .11
May 30, 1967			\$ 5,324.00	\$ .04
August 31, 1967			\$ 5,324.00	\$ .04
November 30, 1967			\$ 5,324.00	\$ .04
December 31, 1967		\$5,904.00		\$ .03
April 15, 1968	\$7,588.62			\$ 1.375
October 15, 1968	\$7,588.62			\$ 1.375
February 22, 1968			\$14,641.00	\$ .11
May 30, 1968			\$ 5,324.00	\$ .04
August 31, 1968			\$ 5,324.00	\$ .04
November 30, 1968			\$ 5,324.00	\$ .04
December 31, 1968		\$6,968.00		\$ .03
April 15, 1969	\$7,442.00			\$ 1.375
April 15, 1969			\$15,000.00	\$ .03

## 8. RECORD OF PROPERTIES

Reference is made to the Prospectus under the heading "Description of Properties" on page 5 of the Prospectus.

## 9. SUBSIDIARY COMPANIES

Cowan Hardware (1968) Limited was incorporated under the laws of the Province of Ontario by letters patent dated April 24, 1968 with an authorized share capital of \$40,000 divided into 36,000 7% non-



cumulative, redeemable non-voting preference shares with a par value of \$1.00 each and 4,000 common shares without par value of which 4,000 common shares without par value have been issued for \$10.00, all of which shares are now owned by the Company. Cowan Hardware (1968) Limited operates a retail hardware store in London, Ontario.

Howden-Howland Limited was incorporated under the laws of the Province of Ontario by letters patent dated October 1, 1931 under the name H. S. Howland, Sons and Company, Limited which name was later changed to Howden-Howland Limited by supplementary letters patent dated April 15, 1958. The authorized capital of this Company was \$40,000 divided into 400 shares of \$100 each, all of which shares are now owned by D. H. Howden & Co. Limited. This Company operates a wholesale hardware business at 635 Southdale Road, London, Ontario.

With respect to Pro Hardware (Canada) Limited and Span-Canada Electric Limited reference is made to page 15 of the Prospectus under the heading "Principles of Consolidation".

#### 10. FUNDED DEBT

Reference is made to the Prospectus under the heading "Capitalization" on page 6.

#### 11. OPTIONS, UNDERWRITINGS, ETC.

There are no outstanding options, underwritings, sale agreements, or other contracts or agreements of a like nature with respect to any unissued shares or any issued shares held for the benefit of the Company, save and except (i) the Underwriting Agreement mentioned on page 7 of the Prospectus, and (ii) a letter agreement dated February 13, 1969 whereby the Company has granted to Midland-Osler Securities Limited and Isard Robertson Easson Co. Limited a bona fide right of first refusal only to undertake further financing other than bank financing and purchase money obligations on behalf of the Company.

#### 12. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company or of its subsidiaries listed on any other Stock Exchange.

#### 13. STATUS UNDER SECURITIES ACTS

Reference is made to the offering of 250,000 common shares without par value made by the Prospectus dated April 2, 1969. Official receipts were issued relevant to this offering in the various provincial jurisdictions as follows:

<u>Province</u>	<u>Date</u>
Ontario .....	April 10, 1969
Quebec .....	April 9, 1969
Manitoba .....	April 7, 1969
Saskatchewan .....	April 7, 1969
Alberta .....	April 8, 1969
British Columbia .....	April 17, 1969

#### 14. FISCAL YEAR

The fiscal year of the Company ends December 31 in each year.

#### 15. ANNUAL MEETINGS

The by-laws of the Company provide that the annual meeting of shareholders shall be held at the head office of the Company, or elsewhere in Ontario on such day in each year as the Board of Directors may by resolution determine.

The last annual meeting was held in London, Ontario on April 2, 1969.

#### 16. HEAD AND OTHER OFFICES

The head office of the Company is located at 635 Southdale Road, London, Ontario. The Company does not maintain any other offices.

#### 17. TRANSFER AGENT

The transfer agent of the Company is The Canada Trust Company at its offices in Montreal, London, Toronto, Winnipeg, Calgary and Vancouver. Share certificates are mutually interchangeable.

#### 18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

#### 19. REGISTRAR

The registrar of the Company is The Canada Trust Company at its offices in Montreal, London, Toronto, Winnipeg, Calgary and Vancouver.

20.

AUDITORS

The auditors for the Company are Touche, Ross, Bailey & Smart, Chartered Accountants, 200 Queens Avenue, London, Ontario.

21.

DIRECTORS AND OFFICERS

Reference is made to the Prospectus under the heading "Directors and Officers" on page 8.

22.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



D. H. HOWDEN & CO. LIMITED

Per: "D. H. STEWART", President

Per: "N. McBETH", Secretary-Treasurer

23.

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

MIDLAND-OSLER SECURITIES LIMITED

Per: "D. B. WELDON", President

"CHRISTINA OVINGTON",  
Authorized Signing Officer

ISARD, ROBERTSON, EASSON CO. LIMITED

Per: "J. L. EASSON"

"J. L. MARTYN"

DISTRIBUTION OF COMMON STOCK AS OF JUNE 1st, 1969

Number						Shares
41	Holders of	1	—	24	share lots	451
171	" "	25	—	99	" "	8,292
293	" "	100	—	199	" "	30,451
113	" "	200	—	299	" "	23,143
34	" "	300	—	399	" "	10,250
15	" "	400	—	499	" "	6,118
40	" "	500	—	999	" "	31,750
35	" "	1000	—	up	" "	389,545
742	Shareholders				Total shares	500,000





